

The Medicare Payment Advisory Commission recently examined the potential impact of the coverage limits and found that some patients were more likely to exceed the dollar limits than others. The Commission found that hip fracture patients had the highest median payments and stroke patients incurred the next highest payments. While Medicare spent, on average, about \$700 per outpatient rehabilitation patient in 1996, half of all stroke patients exceeded the \$1,500 physical and speech therapy limit. In contrast, less than 20 percent of patients with back disorders exceeded the physical and speech therapy limit. In 1996 about one-third of patients treated in non-hospital settings (rehabilitation agencies and CORFs) incurred payments in excess of \$1,500 for outpatient physical and speech therapy or \$1,500 for occupational therapy. Half of the patients affected by the limits exceeded them by \$1,000 or more.

The Medicare Rehabilitation Benefit Equity Act will minimize the inequity and disruption of the BBA limits without affecting the program savings. It requires the Department of Health and Human Services to develop and implement an alternative coverage policy of outpatient physical therapy services and outpatient occupational therapy services. Instead of uniform, but arbitrary, dollar limitations, the alternative policy would be based on classification of individuals by diagnostic category and prior use of services, in both inpatient and outpatient settings.

The Medicare Rehabilitation Benefit Equity Act also requires that the revised coverage policy of setting durational limits on outpatient physical therapy and occupational therapy services by diagnostic category be implemented in a budget-neutral manner. The payment methodology will be designed so as to result in neither an increase nor decrease in fiscal year expenditures for these services. Current law provisions to adjust the annual coverage limits on outpatient rehabilitation therapy services by the medical economic index (MEI), beginning in 2002, are retained.

The Medicare Rehabilitation Benefit Equity Act recognizes that the Department of Health and Human Services' Health Care Financing Administration currently lacks the data necessary to implement a coverage policy based on a patient classification system on January 1, 1999. It further recognizes that assuring services for Medicare beneficiaries in the year 2000 is HCFA's number one priority. For these reasons, a phased transition to a patient classification coverage policy is necessary.

I urge my fellow Members of Congress to join me in support of the Medicare Rehabilitation Benefit Act of 1998. Together we can ensure that implementation of the BBA dollar limits on outpatient rehabilitation services will not disproportionately affect our most vulnerable Medicare beneficiaries.

TRIBUTE TO JAMES O. WRIGHT,
CHAIRMAN OF GOODWILL INDUSTRIES
OF SOUTHEASTERN WISCONSIN, INC.

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to honor James O. Wright, chairman of Goodwill

Industries of Southeastern Wisconsin, Incorporated, who is marking 50 years of service with the organization.

Words are a poor measure of Mr. Wright's devotion and commitment to the Goodwill movement and his generous contributions to the community at large. His record is replete with accomplishments that underscore his belief in the power of work and the American Dream.

In 1948, Mr. Wright joined the board of directors of Goodwill Industries of Southeastern Wisconsin at the age 27. As a result of his unflinching dedication to helping others, he was named chairman of the organization in 1959.

Under Mr. Wright's stewardship, Goodwill Industries of Southeastern Wisconsin has expanded its mission by administering Employment Solutions of Milwaukee, Inc., a Wisconsin Works (W-2) welfare program that places welfare recipients into jobs. As a component part of W-2 Goodwill also administers the Team Parenting pilot program that supports and strengthens the emotional and financial ties of families.

In 1994, Goodwill Industries of Southeastern Wisconsin placed 2,222 individuals in the workforce. This achievement earned the organization the 1994 Goodwill Industries International Outstanding Job Placement Services Award.

A Milwaukee native and WWII veteran who served on three navy vessels, Mr. Wright holds that individuals achieve the American Dream by empowering themselves through work, which reveals the individual's potential. In keeping with this creed, Goodwill of Southeastern Wisconsin established the James O. Wright Award to recognize employers, volunteers, and organizations who assist the disabled in seeking their right to work.

Mr. Wright's benevolence also extends beyond his good works for Goodwill and his position as chairman of Badger Meter Inc., one of Milwaukee's top industries. He has championed Urban Day School, a small independent school in Milwaukee's central city. Struck by the school's innovations in educating disadvantaged youth, Mr. Wright led a fund drive to raise \$1.5 million for school scholarships, repairs and teacher salaries. When the fund drive faced a \$5,400 shortfall, Mr. Wright tapped the foundation at Badger Meter to make up the difference. The school has now established the (W)right Stuff program which brings Mr. Wright together with 9- to 12-year-old African Americans for tours of his company and discussions centering on jobs and the professional world.

Notwithstanding these notable accomplishments, Mr. Wright also has generously contributed his time to the community by serving on the Mequon-Thiensville School Board for 18 years.

Mr. Speaker, it is with a great sense of honor that I bring before you a commendation for Mr. James O. Wright, who marks with Goodwill a half century of leadership, commitment and service.

RESPONDING TO GLOBALIZATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday,

September 9, 1998 into the CONGRESSIONAL RECORD.

RESPONDING TO GLOBALIZATION

Globalization is the way that the economies of various countries around the world are becoming increasingly linked through improved telecommunications and transportation networks. Over the past decade, world trade has grown twice as fast as the world economy. Numerous companies around the globe are spending several trillion dollars annually on factories and other facilities in countries other than their own. And financial market reforms combined with new information technologies enable traders around the world to exchange hundreds of billions of dollars worth of stocks, bonds, and currencies every day.

The increased trade and foreign investment from globalization can enrich America by increasing our economic efficiency, increasing returns on investments, and creating higher paying export jobs. However, while globalization holds the promise of many benefits for American workers, it is also a disruptive force as U.S. workers in various industries face tough competition from countries where pay and labor standards are much lower. Policy changes will be needed to soften the negative impact of globalization on communities and individuals.

RESPONDING TO THESE CHANGES

Although some of the reactions to globalization may overstate the threat, there are some very valid concerns about its impact. These are some of the concerns and possible ways to respond:

Equity

One concern about globalization is equity. The benefits of globalization are often derived from increased specialization in an economy. In advanced industrial economies such as ours, this means that lower-skill jobs may be lost to imports from developing countries while higher-skilled sectors prosper. Although globalization should have an overall positive effect on our economy, it will tend to drive down the wages of lower skilled workers in the U.S.

Response: We can and should strengthen and improve the social safety nets that have served American society well for decades. These include worker protections such as unemployment insurance, job retraining programs for workers who lose their jobs due to trade, and support for education and training programs that will build a smarter, more productive workforce.

Environmental and Labor Standards

In developing countries, globalization can lead to worsening labor and environmental standards, at least in the short term. The increased mobility of investment makes it easier for industries to move to poorer countries, where they may take advantage of lax worker protections or environmental regulation.

Response: Over time, globalization actually helps address these problems on its own. By generating wealth and raising employment in those countries, more affluent citizens become more willing and able to demand higher labor and environmental protections. But we should also continue to implement and enforce international labor and environmental agreements, such as the labor standards promoted by the International Labor Organization and the Kyoto Convention on greenhouse gases.

Volatility

The current Asian economic crisis has its roots in globalization. Over the last thirty years, investment has poured into developing countries. This led to spectacular growth in